




LISTERS

**TREATING
CUSTOMERS
FAIRLY**

INFORMATION
ABOUT OUR
FINANCE
PRODUCTS

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IMPORTANT THINGS FOR CONSIDERATION

At Listers, we have a great selection of finance options. We want to ensure that you fully understand all the options available to you and your chosen credit agreement. If you are unsure about any aspect, please contact one of our managers at your dealership. They are happy to discuss any aspect of financing your vehicle and are on hand to answer any questions you may have.

Before you decide what type of finance agreement you wish to proceed with, please ensure that the monthly payments you agree upon are affordable and that you are not aware of or expect any significant changes to your income or expenditure during the length of your chosen agreement.

If you do not keep up with your repayments, late payment interest and other default charges may become payable. Any missed payments will be reported to credit reference agencies, which may make it more difficult and expensive for you to obtain credit in the future. If missed payments are not repaid, in some cases the lender may take legal action to recover these.

For HP and PCP agreements, if you are a private individual, sole trader or small partnership borrowing no more than £60,260, you will have the right to withdraw from your credit agreement during a period of 14 days starting the day after the day you sign the agreement. To withdraw, you must give the lender written or verbal notice within the withdrawal period.

It is crucial to understand all the terms and conditions before entering into any form of credit or hire agreement. This will help you avoid any surprises and allow you to make a fully informed decision about your purchase.

CUSTOMER SUPPORT

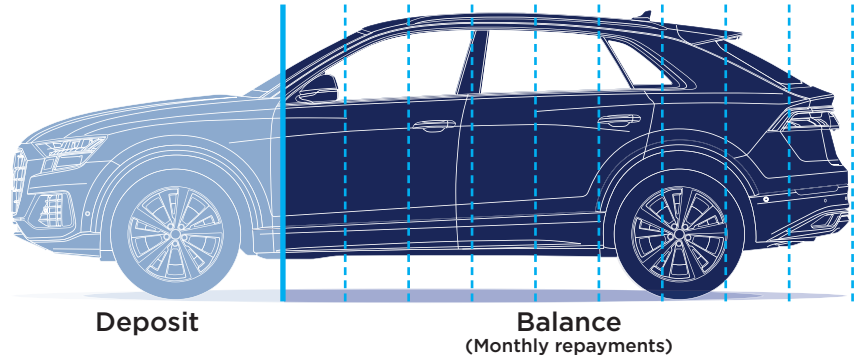
You may require additional assistance during hard times, which could be due to illness, resilience, capabilities, or life events. This is why we've put measures in place at every dealership to ensure we meet each customer's specific needs.

In order for us to give you the right level of support throughout your vehicle purchase and credit application, please inform us if there is anything we need to take into account that may affect your ability to fully understand the options available, your chosen credit agreement and your application.

You can find more information at listers.co.uk/finance/support.

HIRE PURCHASE (HP)/CONDITIONAL SALE (CS)

Ideal for people looking for a straightforward finance agreement with the option to own the car.



- It is a hire agreement which gives you an option to own the car at the end of the agreement.
- The APR (Annual Percentage Rate) is set before the contract begins.
- Flexible deposit options.
- The loan period is also fixed – you can choose any period between two to five years.
- No mileage restriction.
- The finance agreement is secured against the car being bought, which means that lenders can be flexible in the terms and conditions they offer.
- You are the 'registered keeper' of the car and responsible for insuring and maintaining it.
- The finance company remains the legal owner until the amount you borrowed has been fully repaid.

ADVANTAGES OF HIRE PURCHASE

- Quick and easy to arrange.
- Consumer Credit agreements are regulated, which means you will have rights and protections under law.
- A low deposit at the start of the agreement.
- Choice of payment terms of between 24 and 60 months (2-5 years).
- Repayments fixed at the same amount throughout the agreement.

HIRE PURCHASE (HP)/CONDITIONAL SALE (CS)

IMPORTANT THINGS FOR CONSIDERATION

- The finance company owns the vehicle until all payments are made which includes the Option to Purchase Fee.
- It is important that you keep up to date with your monthly repayments, if you are having any difficulties, the vehicle may be at risk.
- You can end your agreement early. How far into your agreement you are will affect the amount left to pay the finance company.

HP MAY BE RIGHT FOR YOU IF:

- You want to own the car outright at the end of your agreement.
- You like to budget - you'll know the exact payment amount each month.
- You have a larger deposit or a part-exchange that could be used as part of your deposit.

HP MAY NOT BE SUITABLE FOR YOU IF:

- You want to have ownership of the vehicle from the start.
- You intend to change your car within 2-4 years.

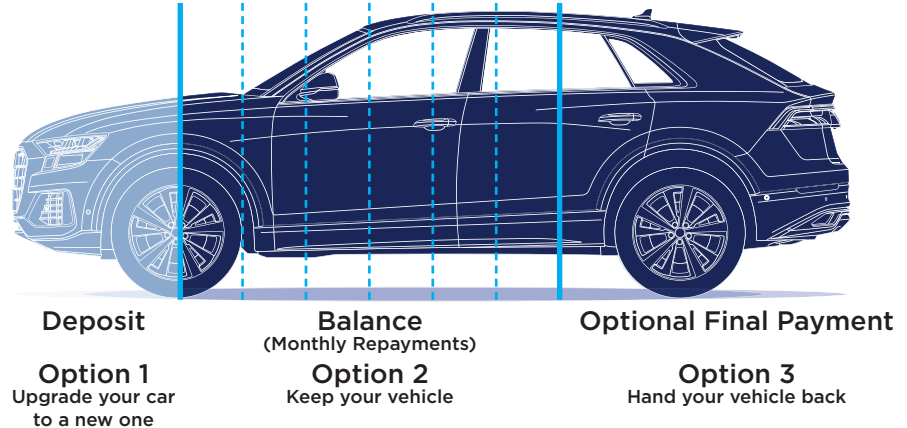
Some of our brands provide a Conditional Sale agreement rather than a Hire Purchase agreement.

The key difference between a CS and HP agreement is that you will become the legal owner of the vehicle, once all repayments have been made to the lender, where as on HP there will be an option to purchase fee at the end of the contract before you legally own the vehicle.

For more information, please click on the link to watch our informative **video**

PERSONAL CONTRACT PURCHASE

Ideal for people who want lower monthly repayments and prefer to change cars on a regular basis.



- Personal Contract Purchase, or PCP, is a variation of a Hire Purchase agreement.
- The value of the car at the end of the contract is calculated at the start of the agreement and this value is deferred. This deferred sum is usually referred to as the Guaranteed Future Value (GFV) or Optional Final Payment (OFP).
- The future value of the car is guaranteed by the lender so will not fluctuate.

AT THE END OF THE AGREEMENT

You will have three options:

- You can either pay the guaranteed future value in full and own the car outright.
- Hand back the keys and walk away (subject to mileage and condition).
- Trade the car in by using any existing equity (if the guaranteed future value is actually lower than the current market value of the car) as a deposit for a new finance agreement.

For more information, please click on the link to watch our informative **video**

PERSONAL CONTRACT PURCHASE

ADVANTAGES OF PERSONAL CONTRACT PURCHASE

- Lower monthly payments than Hire Purchase for a comparable car and term.
- Flexible deposit options.
- Choice of payment terms between 24 and 49 months (2-4 years).
- Consumer Credit Agreements are regulated which means you have certain legal rights and protections.
- Flexibility at the end of the agreement on what you would like to do with the car.
- Fixed monthly payments throughout the term of the agreement.

PCP MAY BE RIGHT FOR YOU IF:

- You want a low deposit and monthly payment.
- You want flexibility to exchange, return or buy your car at the end of your agreement.
- You want to change your car regularly and avoid some maintenance costs.

PCP MAY NOT BE SUITABLE FOR YOU IF:

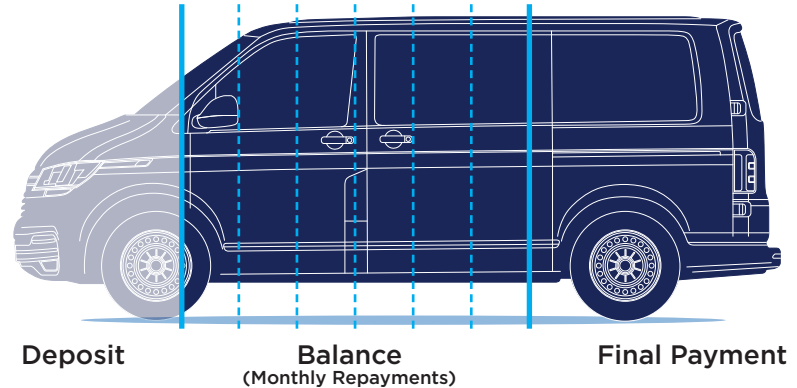
- You are deemed a high mileage user (e.g. in excess of 30,000 p/a).
- You want to keep your car for a longer period (e.g. 5 years).

IMPORTANT THINGS FOR CONSIDERATION

- PCP could work out more expensive overall than a Hire Purchase agreement for an equivalent car, especially if you decide to enter into a second finance agreement to pay the deferred future value of the car at the end of the initial PCP agreement.
- Be careful how you estimate your annual mileage as you'll be charged for excess mileage for every additional mile if you choose to hand the car back.
- If you return the car, it has to be in good condition as any damage may be charged to you.
- You can partially or fully settle a PCP agreement at any time, but should check the terms and conditions of the agreement as each finance company has its own procedures on how to do this. It is important that you keep up to date with your monthly repayments, if you are having any difficulties, the vehicle may be at risk.
- The advantage of this type of agreement is that your regular payments are generally lower during the term of the agreement, making it more affordable for you. However, the risk is that you need to be prepared for a larger balloon payment at the end if you wish to take ownership.
- Depending on current market conditions, the value of the Optional Final Payment may be higher than the actual market value of the car.

LEASE PURCHASE

Ideal for people or Businesses who want to finance more expensive or premium cars.



- Lease Purchase is a form of Hire Purchase, where the payment structure is similar to a lease rental agreement but you will own the vehicle at the end of the term.
- You may be asked to pay a number of monthly payments at the start of your agreement (referred to as 'advance payments') and a sum is usually deferred to the end of the deal.
- The deferred sum will be determined by the age and mileage of the car at the end of the agreement.
- The difference between a lease purchase and a PCP agreement is that the deferred sum must be paid on a lease purchase agreement. On a PCP, it's optional.

AT THE END OF THE AGREEMENT

There is no option to return the car at this point so the deferred sum has to be made. This may be done through a cash payment or alternatively via a second finance agreement. A typical lease purchase agreement will last between two and four years. It may be possible to fully or partially settle the outstanding finance at any point by contacting your finance company.

ADVANTAGES OF LEASE PURCHASE

- Lower monthly repayments because advance payments (deposit) are generally paid at the beginning of the agreement and a balloon payment is deferred until the end.
- Lower monthly repayments may help you to afford a higher specification car.

LEASE PURCHASE

- The deferred balloon payment helps you to save money to pay off the car at the end of the agreement.
- Flexible terms between 2 - 4 years (24 - 49 months).

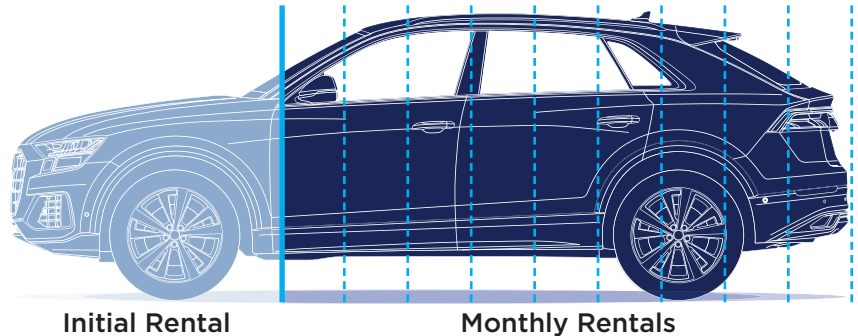
IMPORTANT THINGS FOR CONSIDERATION

- There is no return option at the end of the agreement.
- You must have sufficient funds (or apply for a second finance agreement) to pay off the deferred sum.
- Depending on current market conditions, the value of the outstanding balloon payment may be higher than the actual market value of the car.
- Usually only available to businesses.
- It is important that you keep up to date with your monthly repayments, if you are having any difficulties, the vehicle may be at risk.
- The advantage of this type of agreement is that your regular payments are generally lower during the term of the agreement, making it more affordable for you. However, the risk is that you need to be prepared for that larger balloon payment at the end if you wish to take ownership.



PERSONAL CONTRACT HIRE

Ideal for people who want to change their car on a regular basis *without* owning the car.



- Personal Contract Hire (PCH) involves leasing a car for an agreed period of time at a fixed monthly cost.
- For private individuals that means cost-effective, flexible motoring which is cheaper than buying a car.
- All servicing and maintenance can be provided – giving you peace-of-mind that everything is running smoothly with no unpredictable costs.
- At the end of your term, you can simply return your vehicle or replace it with another one.
- The vehicle should be returned to the leasing company in a condition that meets the BVRLA 'Fair wear and tear' guidelines, otherwise charges may be incurred.

ADVANTAGES OF PERSONAL CONTRACT HIRE

- You choose the model of car that you want. All you do is pay one fixed monthly fee, keeping your costs low and predictable.
- Hassle-free motoring.
- Flexible payment structure – from 24 to 60 months.
- Running costs e.g. Maintenance and servicing can be included for easier budgeting.
- No risk of unexpected vehicle depreciation.
- The vehicle is not subject to Benefit in Kind tax.
- PCH gives you fixed cost motoring.

For more information, please click on the link to watch our informative **video**

PERSONAL CONTRACT HIRE

IMPORTANT THINGS FOR CONSIDERATION

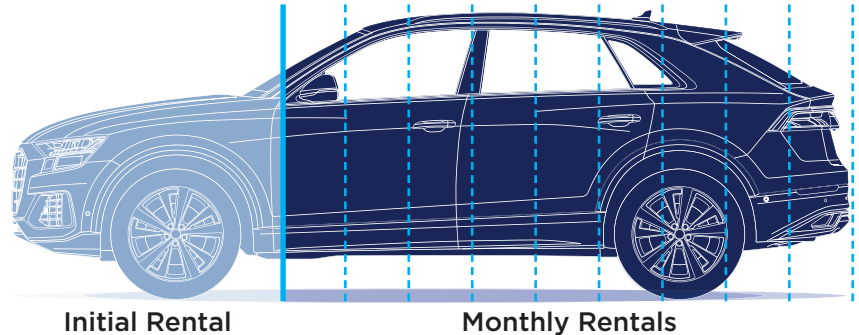
- You do not have the option to own the car.
- It will be necessary to forecast the expected term and mileage for the car at the outset of the contract.
- All rentals include VAT, however, the user is unable to reclaim the VAT element or percentage thereof.
- Excess mileage charges may apply if you have exceeded the contracted mileage when you return the car.
- You must look after the vehicle and return it in a well maintained condition otherwise you will be charged for any damage over and above that stated in the 'Fair Wear and Tear Guide'.
- It can be expensive to terminate the contract early

For more information, please click on the link to watch our informative **video**



BUSINESS CONTRACT HIRE

Ideal for companies that change their car on a regular basis without the option to own the car.



- A Contract Hire is a method of financing a vehicle that is usually accessed by VAT-registered businesses and companies.
- Sole traders and partnerships can also take advantage of contract hire.
- It is a form of vehicle finance where the vehicle remains the property of the finance company, with the vehicle effectively hired out to a business.
- Contract Hire involves leasing a car for an agreed period of time at a fixed monthly cost. For private businesses that means cost-effective, flexible motoring.
- All servicing and maintenance can be provided – giving you peace-of-mind that everything is running smoothly with no unpredictable costs.
- At the end of your term, you can simply return your vehicle or replace it with another one.

ADVANTAGES OF CONTRACT HIRE

- VAT Payments - up to 50% of the VAT payments can be reclaimed. This is only applicable if your business is VAT registered.
- You choose the model of car that you want. All you do is pay one fixed monthly fee, keeping your costs low and predictable.
- Hassle-free motoring.
- Running costs e.g. Maintenance and servicing can be included for easier budgeting.
- No risk of unexpected vehicle depreciation.
- Free up capital - Business contract hire is an efficient way of running a fleet of vehicles. Rather than tying capital up in depreciating vehicles the company is able to invest in other areas of the business.
- Currently, vehicle leases do not have to be shown on a balance sheet, which may improve a company's liquidity ratio, gearing and return on assets.

BUSINESS CONTRACT HIRE

ADVANTAGES OF CONTRACT HIRE

- Running a fleet using business contract hire gives the company flexibility to respond to changing market conditions.
- Business contract hire agreements are typically between 24 and 60 months long, which allows the fleet to respond to changes to staffing requirements more efficiently than through alternative funding methods.
- This flexibility can also help business' respond to changes in their Corporate Social Responsibility (CSR) guidelines, for example switching fleet vehicles to greener, more fuel efficient models.
- Some or all of the rental charge can be offset against taxable profits.
- Your company could benefit from the latest fuel-saving developments in in-car technology.

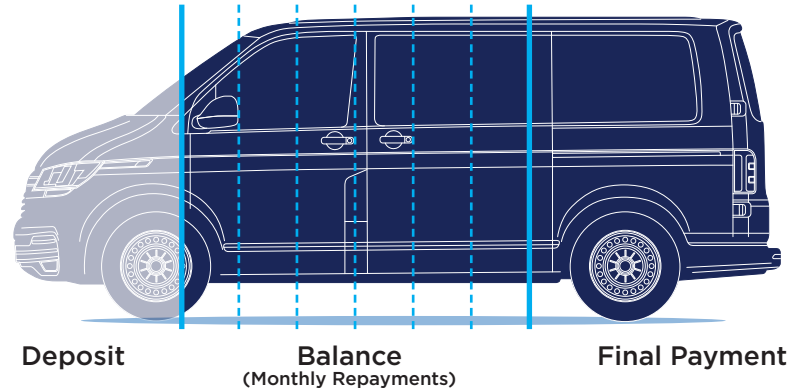
IMPORTANT THINGS FOR CONSIDERATION

- Unlike some forms of business car leasing, there is no option to buy at the end of the contract.
- Have an accurate idea of the vehicle's annual mileage requirement, under estimate and you will face additional charges if the agreed mileage limit is exceeded. Overestimate and you be paying a higher monthly fee than you actually need.
- Standard wear and tear is allowed, the vehicle should be returned to the leasing company in a condition that meets the BVRLA 'Fair wear and tear' guidelines, otherwise charges may be incurred.
- Most business finance agreements are 'unregulated' which means the same protections are not available for businesses as they are for consumers.

For more information, please click on the link to watch our informative **video**

FINANCE LEASE

Ideal for companies that need to tailor their monthly rental and require the optional flexibility of leasing the vehicle for a longer period.



- A finance lease is a method of financing a vehicle that is usually accessed by VAT-registered businesses and companies.
- Sole traders and partnerships can also take advantage of finance lease.
- It is a form of car finance where the vehicle remains the property of the finance company, with the vehicle effectively hired out to a business.
- Finance lease differs from contract hire in that you usually have a 'balloon payment' at the end of your lease agreement which pays off the leasing company's investment.
- You agree how much your balloon payment will be, depending on whether you want higher or lower monthly rentals during the lease agreement. The exact monthly rental is determined by the initial cost of the vehicle, the period of the finance lease, the residual value, and that end balloon rental (not necessarily the vehicle's residual value).
- At the end of the finance lease agreement the vehicle is sold to a third party by the finance company.
- If the sold price is above the pre-determined balloon rental then the finance company will refund a percentage of the proceeds back to the hirer.
- If the sale price is below the balloon payment then the hirer will be liable to make a further payment to the finance company. This way, a company with a finance lease agreement shares more of the risk of the vehicle but can also potentially profit if the car exceeds its RV, than if they took a contract hire deal.
- Alternatively you can lease the vehicle again for a further period if you don't wish to see it sold.

FINANCE LEASE

ADVANTAGES OF FINANCE LEASE

- One of the main reasons why companies take on finance leases is to avoid the initial hefty outlay therefore benefiting from low monthly costs and initial outlay.
- Most finance lease companies will offer a number of rental options to suit your cash flow. You can make deferred rentals, lowering the monthly rental with a balloon rental at the end of the contract, or you can pay the entire cost in monthly instalments.
- You can gain access to the latest vehicles that would otherwise be unaffordable.
- Up to 50% of the VAT payments can be reclaimed. This is only applicable if your business is VAT registered.
- Taking out a finance lease allows you to feature the vehicle on your balance sheet, and outstanding rentals are represented as a liability.
- Hire rental tax allowances can be applied for.
- You can boost your equity by receiving a proportion of the sale at the end of the finance lease term.

IMPORTANT THINGS FOR CONSIDERATION

- You do not have the option to own the vehicle.
- Non-payment can negatively affect the credit rating of both the business and the guarantor.
- The agreement can be terminated early but early termination charges are often applied and can be high.
- The lessee bears both the risks and rewards in terms of how the car depreciates under a Finance Lease. If the car depreciates significantly more than the lessor. originally predicts at the start of the agreement then this can lead to the customer falling into 'negative equity' with potentially further funds payable to the lessor at the end of the agreement.
- Most business finance agreements are 'unregulated' which means the same protections are not available for businesses as they are for consumers.

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